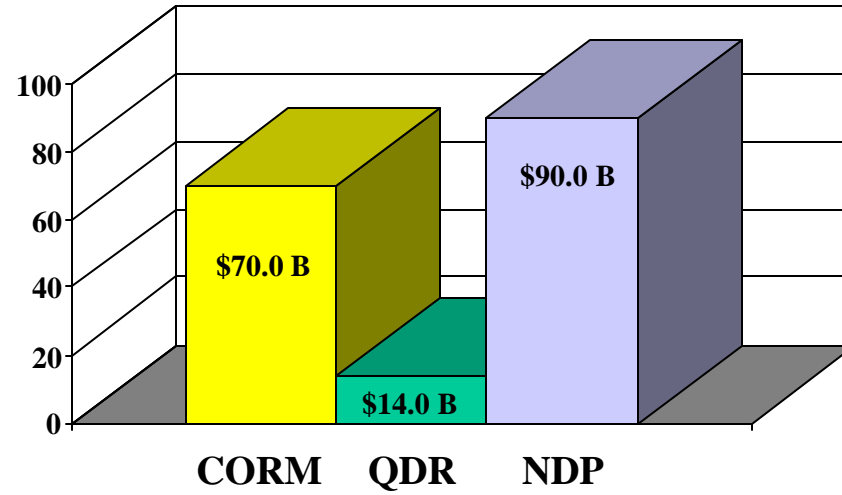


## **Logistics Cost Baseline**

## *How big is logistics???*

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# Task Overview

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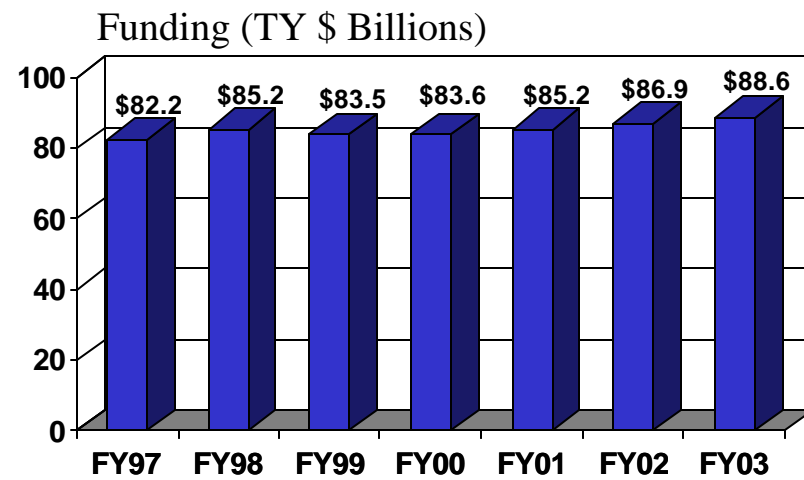
Develop a logistics cost baseline

## Guiding Principles:

- Consider all DoD logistics
- Report appropriated funding
- Project through the FYDP
- Develop methodology that can be replicated

## Logistics Costs - *“The Original Numbers”*

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# Outline

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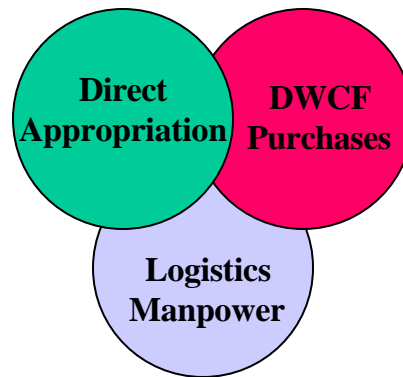
- Three “chunks”
  - Direct Appropriation
  - DWCF Orders
  - Other Logistics Manpower
- Summary Results
- Current Status

# Strategy

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Determine logistics resource costs from:

- Logistics resources from Direct Appropriations
- Goods and services from DWCF Activities
- All other Logistics Manpower



## Direct Appropriations

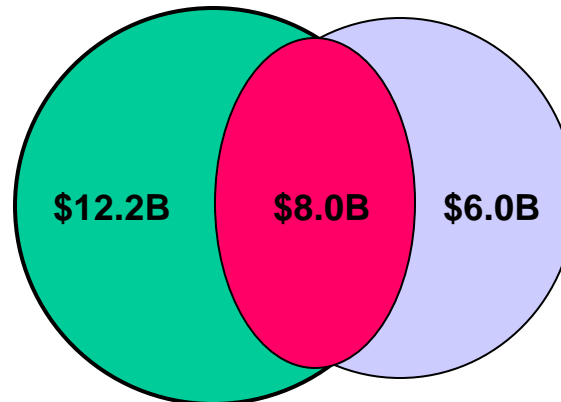
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- Select program elements by activity and function
- Defines “logistics” function in six categories:
  - maintenance / supply / distribution / transportation / combatant logistics / other logistics
- DWCF program elements measure economic activity vice appropriated funding ... not used here

**Total FY97 Costs = \$20.2B**

**Log Cost Baseline - \$20.2B**  
**Central Logistics (Infrastructure) - \$14.0B**

FY97 TOA



**\$5.2B Combatant Forces**  
**\$6.1B Trans Forces**  
**\$0.9B Other**

**\$2.1B Installation Support**  
**\$1.6B Procurement Ops**  
**\$0.9B Commissaries/Exch**  
**\$0.8B End Item Support**  
**\$0.6B Other**



## DWCF Purchases

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- Program Elements report economic activity rather than appropriated funding
- Purchases reported as part of POM submission
  - Customer orders projections (Tab N2)
  - Business Area revenue projections (Tab N3A)
  - Separate report for intra-fund transactions (Tab N2A)
- Current submission incomplete (less than \$1B)

**Total FY97 Costs = \$29.7B**

# Manpower Costs

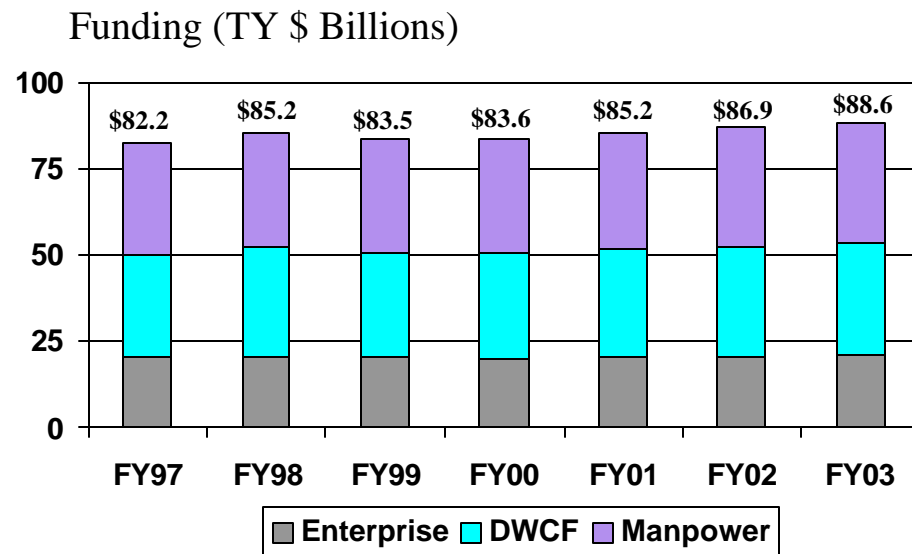
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- Defense Manpower Data Center source data for LMI's Defense Manpower Info System
  - Active / Reserve / Civilian
  - Organization
  - Skill (maintenance, supply, & transportation)
- Direct Linkage to Program Elements
- Future year projection based on current logistics workforce content and total future workforce

**Total FY97 Costs = \$32.3B**

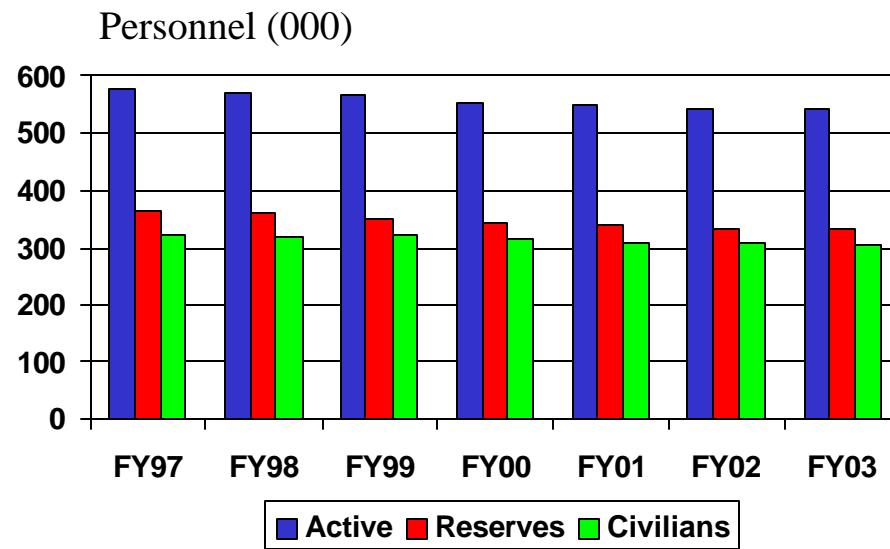
# Logistics Costs

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# Logistics Personnel

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# Logistics Cost Drill Down

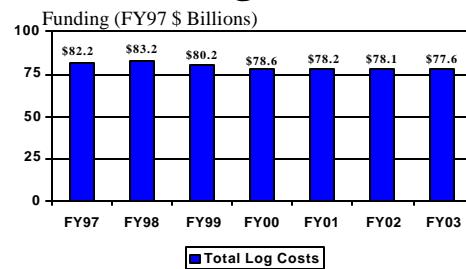
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## Drill Down Capability (Constant \$ & Then Year \$)

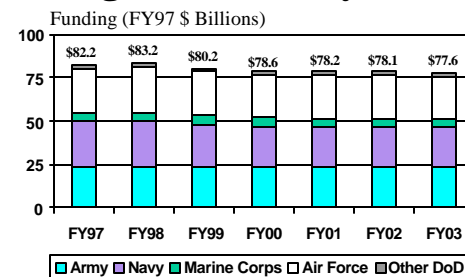
- Logistics Resource Categories
- Echelon (National / Operational)
- Military Service / Defense Agency
- Function (Supply / Maintenance / Transportation)
- Manpower Component (Active / Reserve / Civilian)
- Manpower Type (Officer / Enlisted / Civilian)
- Major Force Program
- Appropriation
- PA&E DMC & Infrastructure Category

# Drill Down Example

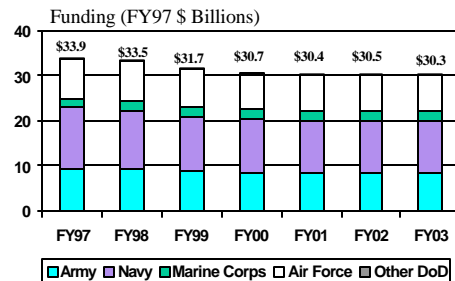
## Total Logistics Costs



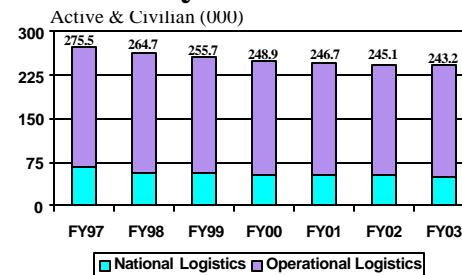
## Logistics Costs by Service



## Maintenance Costs

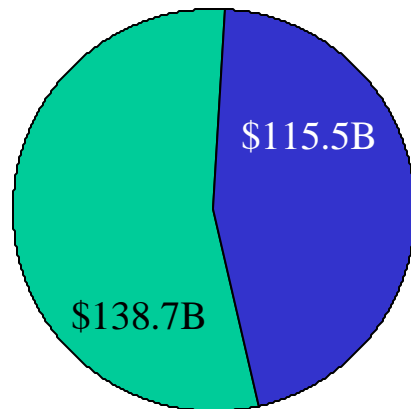


## Navy Maintenance

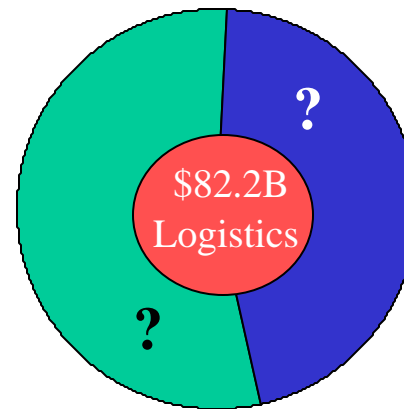


## What About Force / Infrastructure Split

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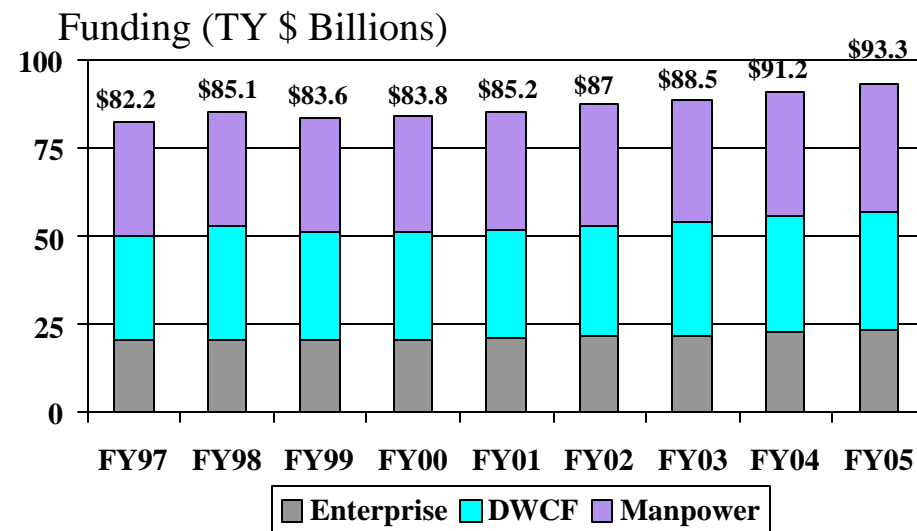
■ Forces ■ Infrastructure



■ Forces ■ Infrastructure

## Logistics Costs: POM 00-05

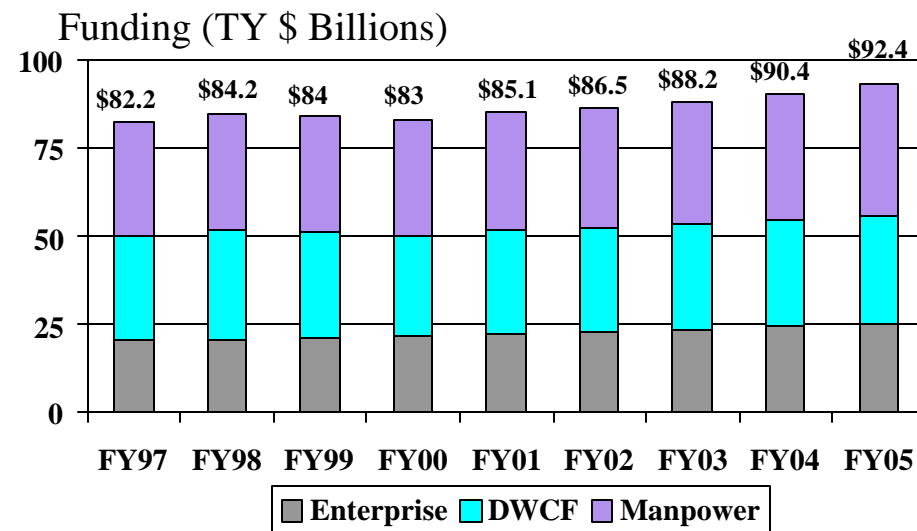
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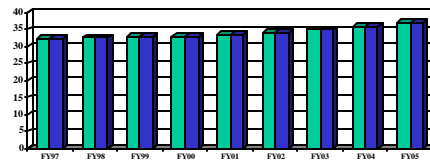
## Logistics Costs: POM 01-05

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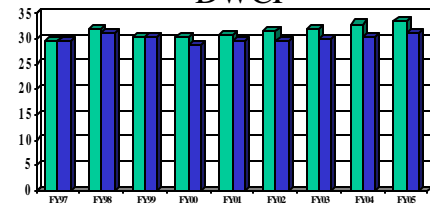


# Logistics Cost Baseline

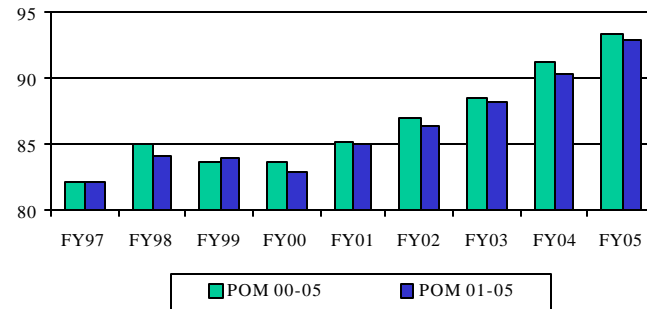
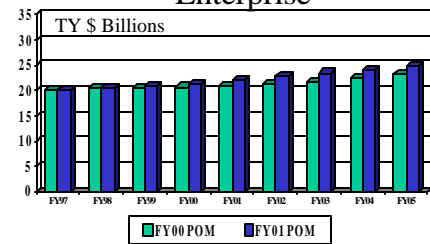
## Personnel



## DWCF

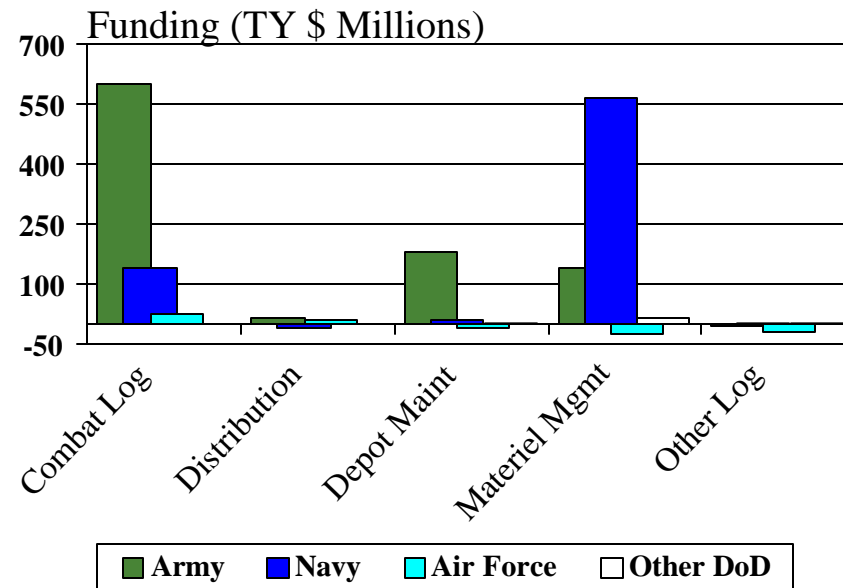


## Enterprise



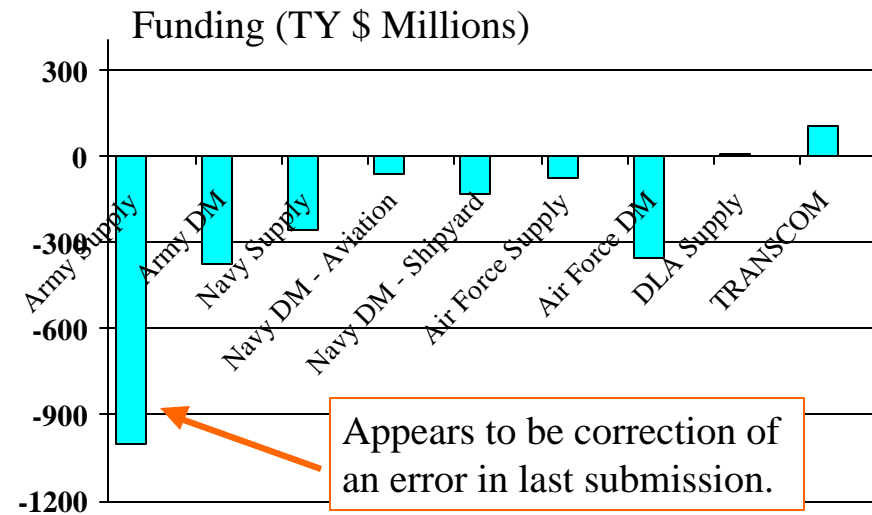
# FY05 Enterprise Cost Changes

POM FY00-05 vs POM FY01-05

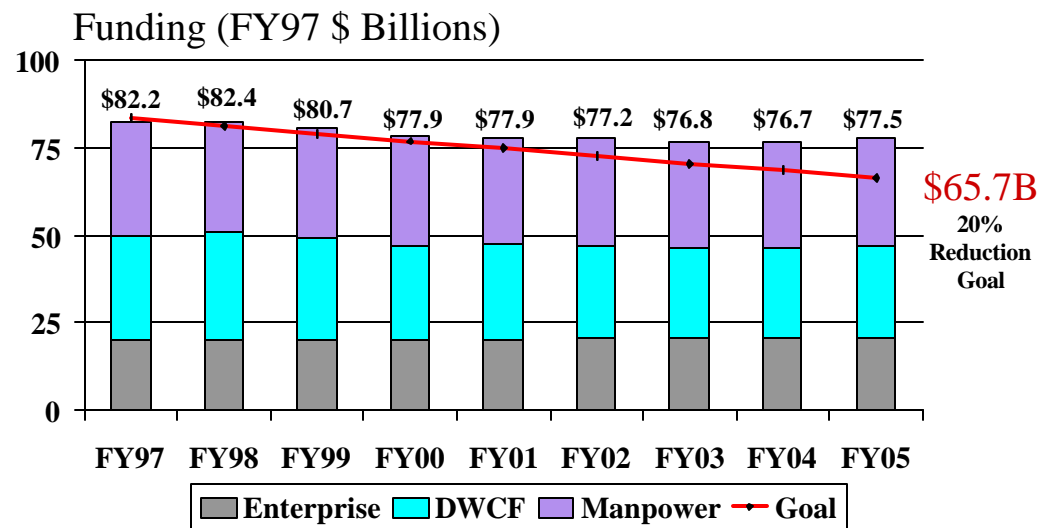


# FY05 DWCF Cost Changes

POM FY00-05 vs POM FY01-05



## Cost Reduction Goal: POM 01-05



## Current Status

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- Validation with Services Complete
- Ongoing Maintenance Challenges:
  - DMDC Program Element Data Holes
  - PE Changes Requires Maintenance
  - Future Data Source Challenges

Update Cycle	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Enterprise Model		PB					POM			BES		
DWCF POM						POM						
Manpower Info	FY											